

Hearing of the Subcommittee on Management, Integration, and Oversight

April 20, 2005

Testimony of

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&
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Introduction

Chairman Rogers, Mr. Ranking Member Meek, and members of this Subcommittee on Management, Integration, and Oversight. Thank you for the opportunity to appear today to discuss the evolution of management issues within the Department of Homeland Security. This is timely. Both the Department and our national efforts to improve the safety and security of the nation have reached a pivotal crossroads.

I bring three perspectives today. From 1999 to 2003, I Chaired the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, the only national commission to transcend both the pre and post 9-11 environments. Also, I was the Governor of one of the three states viciously attacked on 9-11 and finally, as Governor I understand the phenomenal challenges of organizational management under a charged atmosphere of politics and perception.

I will begin today by underscoring, that in the broadest of terms, we have much to celebrate in terms of the progress made at the federal, state and local levels and with the private sector and our citizens since 9-11. Have we been perfect. No. But we did not have perfect conditions under which to change our national priorities and create the Department following the 9-11 attacks.

I believe, however, that we are at the logical point where scrutiny is needed and is appropriate to chart a clearer path that will empower future progress, free from the ambiguity that has begun to creep into our national efforts. This is essential if we are to continue the forward momentum needed to keep America safe.

There are four key challenges that the Department of Homeland Security and its new Secretary must overcome in the days ahead.

First. What is the right organization for the Department. There was great debate in the Executive Branch, Congress, media and elsewhere in developing the legislation that provides the basis for DHS's structure. The end result is the structure of the Department – not its mission became the overriding theme of much of the debate. Consequently, then Secretary Ridge and his team were forced to implement a design by Committee. Unfortunately less attention was given

to ensuring more flexibility in what I would offer has been one of the most rapidly evolving public policy issues in recent memory. There was no road map for our national journey in the post 9-11 World and our zeal to address all the twists and turn along the way may have kept us from solidly establishing the desired destination.

Second. Information and intelligence sharing – whether internal to the Department among major components or sub-components and with external stakeholder groups is essential for success. The Department is a series of stovepipes. That is not necessarily all bad IF and the operative word is IF there is a culture and structure within the Department that promotes and instills internal and external sharing of information and intelligence in a logical pattern with defined objectives between and beyond these stovepipes. Clearly one of the key issues highlighted by the Gilmore Commission and re-stated by the 9-11 and the Robb-Silverman Commissions is having the sound business rules and practices in-place to promote sharing of information and intelligence. Sometimes the desire for the latest technological tool pre-empts the more basic discussion of who needs what, what is the best way to get it to them and how do we ensure quality of information – not quantity of information is the driving factor.

Third. The Department must be focused on enterprise solutions that actively engage local and state governments and the private sector in their implementation. Much of the Departments efforts since 9-11 has been in trying to conceptualize, develop and implement protective measures for facilities, communities, sectors and the nation – and doing much of it by themselves. There has been state, local and private sector engagement – but not in a holistic manner that will achieve optimal progress. A good parallel is the nation's interstate transportation system. If the federal government were responsible for designing and building every bridge, exit ramp and mile of federal road then we would not have the system that is in-place today. A deliberate system was put in-place that the federal government would facilitate the creation of broad goals and standards and it has been up to states and communities to construct the national federal aid road system. Federal level conceptualization – state and local implementation.

Finally, the Department is but one component of a national effort. Unfortunately they get the blame for anything negative related to homeland security. Homeland security is more than terrorism. Homeland security is more than physical impacts. Homeland security is more than a department or profession.

Homeland security must be a culture of managing risk. The Gilmore Commission said repeatedly that our efforts to prevent and deter and respond and recover must focus on all hazards and do so in a manner that balances the likelihood of each relative to the others. But creating a comprehensive risk management approach across all federal agencies and with states, communities and the private sector is beyond the Departments purview. They are a new bureaucracy operating on a playing field with larger, more mature and powerful federal organizations. This is not right or wrong. It just is.

Addressing cultural change, beyond the Department, will impact how Congress will monitor and oversee, how the Homeland Security Council in White House will coordinate and adjudicate and how states, communities and the private sector will implement. Our first National Strategy for

Securing the Homeland was good for its point in the effort. It must be updated to reflect the phenomenal advances since 9-11 and the issues that have emerged since it was published. A solid and updated National Strategy should drive the Departments organization – and those of other federal departments and agencies as a matter of fact as they implement their responsibilities for homeland security – not the other way around.

Mr. Chairman if I had one point that I would ask be remembered today it is this. We cannot keep micro-managing the Department if it is going to succeed. Homeland security is not the department – clearly DHS is an integral component but this is a shared responsibility. Let me be clear I am not implying that it should not have oversight. DHS must be held accountable by this Congress, the President, the nations Governor's, local officials, corporate CEO's and ultimately the American people. Let's focus less on telling them how to do their job and more on defining and articulating what there job is in relation to the other government and private sector players as part of a culture of homeland security. Constant micro directed adjustments will not produce momentum – it will only add to confusion.

I am convinced, based on my discussions around America that DHS has talented doers and leaders in its ranks capable of accomplishing great things. The Department needs our guidance and suggestions on the what needs to be done – but given the level of professional competence of its employees I believe they have achieved a level of maturity needed to decide how to best specifically organize to accomplish the mission. We do not tell battlefield commanders how to fight a War – we give them the guidance on the objectives and parameters – they do the rest.

In closing let me say that the number one objective that DHS, any other federal, state and local organization should seek to achieve as we seek to secure our homeland is the preservation of civil liberties. The debate should not be about blocks on an organizational chart. It should be what is the mission and what are the parameters that will guide the accomplishment of that mission and how do we do so in a manner that preserves our civil liberties and strengthens the values of our democracy.

Thank you and I look forward to the Subcommittee's questions.

Recent Op-Ed regarding the mission of DHS for the record:

Homeland security to the next level

By James S. Gilmore III and P.J. Crowley

The Washington Times

February 27, 2005

In sports, the first coach of an expansion franchise is expected to compete. The second coach is expected to win. The challenge for Judge Michael Chertoff, the new secretary of homeland security, is how to lead the department to the proverbial next level, and make America safer.

Judge Chertoff has never faced a bureaucratic challenge this complex or been in a spotlight this bright. He is assuming arguably the most difficult leadership assignment in Washington, merging 22 federal agencies into an effective department. Congress will not make his job easier. He must credibly explain the nature of the threat to the American people, free of manipulation. He needs to increase the federal government's coordination with cities, states and the private sector. What should he do?

One team, one fight. His first challenge is internal -- transforming homeland security again. Understandably, Secretary Tom Ridge's emphasis was on creating a new department. Mr. Chertoff has to unite it behind a common mission. The military calls this jointness, something DHS lacks. Mr. Chertoff can overcome turf battles and inspire teamwork, but he must demand greater focus and discipline from his new team, backed fully by the president.

Concentrate on the threat, not just vulnerabilities. His second challenge is Congress. Since September 11, 2001, elected leaders from big states have pushed aid to urban areas, where al Qaeda has attacked before; rural states want a broader distribution because attacks can occur anywhere. As a result, resources are spread too thin. Urban area security grants originally went to a handful of large cities; now it's 50.

Our approach must be more than a guessing game with criminal minds. Mr. Chertoff needs to push DHS to complete a long-overdue national threat and vulnerability assessment, enabling us to make informed choices that move us closer to real readiness. We have to look beyond obvious targets and understand both what terrorist networks want to do and what their capabilities are; and decide where the threat and risk to our society are most significant, how to protect what we value and who should do it.

- Good intelligence is essential. In his confirmation hearing, Mr. Chertoff endorsed a "risk-based, vulnerability-based system." If this means greater emphasis on the threat, and not just vulnerabilities, he is on the right track.
- Find out what the private sector is doing. Since 85 percent of our critical infrastructure is in private hands, we need to know what businesses are investing in security and guide those efforts within a strategic framework. A combination of carrots and sticks will be needed to improve private-sector preparedness -- voluntary approaches if they work; incentives where they are available; and strict standards and government intervention where necessary. Where the private sector is already engaged, DHS needs to verify that programs are actually working.
- Eliminate risks. Knowing we can't defend everything, we have to find ways to take risks off the table. For example, if "60 Minutes" can enter a chemical plant without being detected, so can a terrorist. The government could require stronger fences. But working together, the chemical industry and the government should really eliminate risks entirely by substituting less dangerous substances for highly toxic and flammable materials, reducing inventories or hardening chemical storage. D.C.'s Blue Plains Wastewater Treatment plant substituted nontoxic materials after September 11 not because it was ordered to do so but because it made sense. This also reduced the hazardous materials transported by rail through our nation's capital, shrinking a related risk.
- Act where the private sector cannot. Where our economic well-being is potentially threatened, the government must take the lead. If this is war, we can't wait a decade for market solutions to evolve in critical areas. In its final report a year ago, the Gilmore advisory panel recommended that by 2009 all air cargo, like passenger baggage, be screened. Unfortunately, the debate thus far has centered on why it can't be done -- too expensive, too time-consuming, no technology -- rather than why it must be done.

More is required to help states, cities and the private sector secure our ports, where a dirty bomb explosion in a shipping container could stop our economy, creating economic losses in the hundreds of billions of dollars. Terrorism insurance is another area where the government must play a direct role for the foreseeable future -- no effective market-oriented solution will soon emerge. We invented the just-in-time business environment, which improved productivity and drove our recent economic growth. We have no choice but to secure it.

- Create a vision the American people will support. An open society has made us a prosperous and admired nation. We shouldn't construct a Fortress America, because we can't defend everything. We must decide what national preparedness is needed and ensure it's achievable and affordable. If the American people want more security, they have a duty to demand it and be willing to pay for it. The American people need to join this debate with their elected officials and private-sector leaders, since security is a shared responsibility. We all face this threat and must deal with the results if we are wrong.
- Freedom around the world and at home. Civil liberties must be viewed as the key goal, not an impediment. The president has rightly set out freedom in the world as the cornerstone of his foreign policy. It must also be the hallmark of homeland security. Diminishing our rights in the name of security is wrong. If we try to keep tabs on terrorists by intruding on everyone's privacy, we will pay too much in liberty lost. While we promote freedom around the world, we shouldn't be looking over our shoulder here at home.

In his State of the Union speech, President Bush pledged that we owe our children "a freedom from fear." The key to this promise is having both an effective offense and a credible defense. Throughout our history, when our country has mobilized to defend freedom, our battles have been mostly overseas. Now, because of September 11, we know national security is not just an away game but a home game too.

We are safer today than three years ago. But we still have much to do to bring homeland security to that higher level.

James S. Gilmore III is a former governor of Virginia (1998-2002) and former chairman of the Congressional Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction (www.rand.org/nsrd/terrpanel) from 1999 - 2003. He is now Chairman of the National Council on Readiness & Preparedness (www.ncorp.org) a new nonprofit dedicated to strengthening public/private partnerships in homeland security with local first-responders nationwide. He is also a partner at Kelley Drye and Warren and president of USA Secure, a nonprofit homeland security policy institute (www.usasecure.org). P.J. Crowley is a senior fellow and director of national defense and homeland security at the Center for American Progress. He served in senior staff positions at the White House and Pentagon during the Clinton administration.